SNAP Works: A Pathway out of Poverty for Arizonans

Poverty, work, and hunger are inextricably linked.

The Supplemental Nutrition Assistance Program (SNAP)—a federal program that provides support for children, seniors, people with disabilities, and working families to purchase food—has consistently produced measurable impacts in mitigating hunger and poverty as a work support that allows underemployed, temporarily unemployed, and low-wage workers to put food on the table.

In Arizona, SNAP helps nearly 850,000 people facing hunger each month. Roughly 54% are children, 11% are older adults, and 10% are people with a disability. People who participate in SNAP are at risk of losing food access due to an under-researched approach to restructuring the program outlined in the House Farm Bill (H.R. 2). Among other concerning changes explained in this policy brief, the nutrition title of H.R. 2 threatens to take away people's access to food if they do not consistently meet heightened work requirements. The Senate Farm Bill (S. 3042), on the other hand, maintains SNAP's current work requirements and strengthens the program. As of June 28, both bills have passed their respective chambers and will be reconciled in conference committee negotiations; the compromise bill must then pass each chamber again before heading to the president's desk.

Creating strong attachment to the workforce for low-income individuals that allows them to earn a living wage is an inherently positive step forward. However, a sustainable solution requires more than simply mandated work without a clear understanding of needed supports and impacts.

SNAP Enrollment Decreases as Employment Increases

*DES, FAA Statistical Bulletin for corresponding month. des.az.gov/documents-center?q-content-tab=1
**BLS Data Calculator 2008-2018. 5/18/18. data.bls.gov/timeseries/LASST040000000000003
SNAP Helps Arizona Families Every Day

SNAP is the most comprehensive and effective nutrition assistance program in the country, serving working families and individuals. Ensuring no fellow citizen goes to bed hungry has been an American tradition since before World War II. Its origins can be traced to the late 1930s and early 1940s when food was in surplus and unemployment was high. Bold leaders from both the Democratic and Republican parties officially established the program in 1964 to improve nutrition and stabilize the agriculture economy. SNAP has continuously ensured that the men, women, and children in our country have access to food since that time.1

SNAP is effective at mitigating hunger by supporting people who either live on a fixed income or are working to climb out of poverty. In Arizona, SNAP kept an estimated 225,000 individuals out of poverty, including 118,000 children, between 2009–2012.2 As of March 2018, the average benefit per person in Arizona is only $117 per month, or roughly $1.30 per person per meal.3

More than half of all SNAP participants in Arizona are children.4 SNAP has been shown to positively impact children’s health by keeping kids strong and hunger-free. By substantially decreasing food insecurity, Children’s HealthWatch notes that “in comparison to children whose families were eligible but did not receive SNAP, young children whose families received SNAP benefits were significantly less likely” to be underweight or at risk for developmental delays.5

More than 11% of SNAP participants are over the age of 50, and 10% have a disability. New research shows that seniors who participate in the SNAP program are much less likely to be admitted to nursing homes and hospitals.6

SNAP E&T Partners

St. Mary’s Food Bank Alliance’s Community Kitchen in Phoenix and the Caridad Community Kitchen at the Community Food Bank of Southern Arizona in Tucson offer life skills and food-service training for those with barriers to employment. Students gain the skills to get jobs with livable wages, benefits, and opportunities for advancement through hands-on food-service training as well as classroom studies.

These programs report that 83–85% of graduates secured work after graduation. While the population served is small, it is illustrative of the importance of focused, vocational training. The starting wage for new graduates is $11–$12 per hour.

Sources:

SNAP Participation in Arizona (March 2018)

Note: Data for March 2018 based on public records request from the Arizona Department of Economic Security (DES).

In March 2018, 54% of SNAP participants in Arizona were children.
Finally, SNAP not only makes a difference for those participating in the program, but also positively affects the economy. The USDA highlights SNAP’s impact as an economic multiplier, noting every dollar of new SNAP benefits results in $1.80 in total economic activity. More than 80% of benefits are redeemed at supermarkets or supercenters, and there are approximately 4,300 authorized retailers in Arizona.

**SNAP Encourages & Stabilizes Work**

SNAP has always supported work. Unlike other public benefits that terminate once the income threshold is met by the participant, SNAP is a market-driven policy that encourages work by slowly decreasing the benefit amount as income increases. In doing so, SNAP incentivizes people to enter the labor market and to increase their work hours.

Work is important, and as a supplemental program, SNAP has always emphasized that. In fact, most SNAP participants who can work, do work. Among adult SNAP participants in Arizona, 50% worked 30 hours a week or more last year, and 25% worked 20 hours a week or more. Because these workers are employed in low-wage or shift jobs that do not provide enough hours to earn a living wage, they still qualify for SNAP, and use it to put food on the table.

SNAP includes an Employment & Training (E&T) program to help individuals with barriers to employment enter the workforce. The Arizona Department of Economic Security (DES), which administers SNAP and SNAP E&T, estimates that approximately 125 SNAP E&T participants per month obtain employment. While this demonstrates substantial improvement from previous years, it does not come close to serving the need of current participants. Services are primarily focused on job-search techniques and résumé preparation rather than basic education and vocational training.

**What Does the Farm Bill Have to Do with SNAP?**

The Farm Bill—renewed every five years and up for reauthorization in 2018—is federal legislation that “governs an array of agricultural and food programs,” including commodity prices, trade research, rural development, and nutrition, among other items. The bill’s nutrition title includes SNAP and other anti-hunger programs.

The House Farm Bill (*Agriculture and Nutrition Act of 2018*, or H.R. 2) seeks to modify SNAP participants’ required engagement with work and work activities and increase penalties for noncompliance. Specifically, it requires individuals to participate in work or training regardless of circumstances, increases the time that participants lose benefits for inability to comply, and eliminates flexibility at the state level for administering the program.
changes to state waivers

Currently, states have the option to waive certain SNAP policies. Arizona operates two of the available state waivers, including the broad-based categorical eligibility (BBCE) option. BBCE raises SNAP income eligibility and asset limits by aligning SNAP’s rules with those set for benefits funded through Temporary Assistance for Needy Families (TANF). This allows more working families, who frequently have a gross income just above SNAP’s income threshold, to be able to afford healthy food while also promoting their ability to work. (SNAP’s income threshold is 130% of the federal poverty line (FPL), or $2,213 per month for a family of three in 2018.) By eliminating BBCE (which sets the SNAP income threshold at 185% FPL in Arizona, or $3,145 per month for a family of three in 2018), an estimated 30,000 Arizonans—primarily low-wage workers and their families—would lose access to SNAP.

Under current law, states also have the option to waive time limits for individuals without children currently required to work. Arizona has elected that waiver in 12 of its 15 counties (excluding Maricopa, Pima, and Yavapai), where unemployment levels are still high and compliance with work requirements would be challenging. H.R. 2 would change the criteria used to request a waiver, making it more difficult to obtain. Currently, the governor has discretion in deciding whether to apply for these waivers.

Challenges with Work Requirements & Nutrition Policy

The most pressing challenge to employment is a lack of education and training. It is estimated that individuals lacking a high-school diploma or a GED—25% of work-eligible SNAP participants—faced an unemployment rate of 6.5% in 2017 compared to the general population unemployment rate of 4.4%.

changes to SNAP work requirements and penalties

<table>
<thead>
<tr>
<th>Current Law</th>
<th>House Proposal (H.R. 2)</th>
<th>Senate Proposal (S. 3042)</th>
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<tr>
<td>Individuals 18–49 years old, not caring for dependents, must work, participate in work training, or volunteer for at least 20 hours per week to receive SNAP benefits.</td>
<td>Individuals 18–59 years old, including parents of children 6+ years old, must work or participate in work training for at least 20 hours per week to receive SNAP benefits.</td>
<td>Maintains current law.</td>
</tr>
<tr>
<td>Benefits are limited to 3 months (in 36 months) if not work-compliant. Sanction results in loss of benefits for 1 month on the first offense and 3 months on the second offense.</td>
<td>Benefits are limited to 1 month (in 12 months) if not work-compliant. Sanction results in loss of benefits for 12 months on the first offense and 36 months on the second offense.</td>
<td>Maintains current law.</td>
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HOW CATEGORICAL ELIGIBILITY WORKS

“A single mother with two children working full time at $12.50 an hour has income at 127% FPL and receives about $152 a month from SNAP, making up about 7% of her total monthly income. If her hourly wage rose by just 50 cents (or $87 a month), her income would rise to just above 130% FPL. Without BBCE, the family would no longer be eligible for SNAP. And the loss of SNAP benefits would more than cancel out the higher earnings, with its total monthly resources falling by about $65 per month.”

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This challenge is acknowledged by the USDA in a best practices study conducted by the agency: “Findings from the broader workforce development evaluation literature strongly indicate that without outside intervention, many working poor will remain in jobs that pay below the poverty level.” Further, the report found that basic job-search assistance and standalone skills instruction does not provide for self-sufficiency. Finally, programs that “lead to academic credentials or community college certificates are associated with improved outcomes.” This highlights the challenge with work requirements that simply focus on finding a job, any job. Employment alone may not allow an individual to meet all basic needs, and even those employed may need SNAP to supplement hours or wages.

Arizona’s SNAP E&T program provides an assessment of a participant’s skills and challenges along with case management to help participants craft a career plan. DES predominantly concentrates services on helping participants search for jobs, prepare for jobs, and participate in “workfare,” such as community service or other unpaid work experience. It offers vocational training and basic education, allocated at less than 5% of the total services outlined in the FY-18 State Plan. In short, current services fall short of helping participants get an education or improve employability.

The kind of intensive employment support needed to transition SNAP participants to full-time, sustainable employment is not currently a substantial component of E&T programs in Arizona. H.R. 2 includes additional funding for SNAP E&T, but it would only cover $30 per participant per month. In 2012, Georgia

Approximately 290,000 people in Arizona could be subject to the work requirements proposed in H.R. 2 to continue participating in SNAP. The Department of Economic Security estimates that, on average, only 125 SNAP E&T participants per month currently obtain employment. The infrastructure is insufficient to support this increase.

<table>
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<tr>
<th>Services Completed by Arizona’s SNAP E&amp;T Participants (2018)</th>
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<tr>
<td><strong>Vocational Training</strong></td>
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<td><strong>Basic Education</strong></td>
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<tr>
<td><strong>Registered Apprenticeship</strong></td>
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<tr>
<td><strong>Job Readiness</strong></td>
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<tr>
<td><strong>Job Search</strong></td>
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<td><strong>Job Retention</strong></td>
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<tr>
<td><strong>Unpaid Work Experience</strong></td>
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<tr>
<td><strong>Community Service/Workfare</strong></td>
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Note: These amounts were anticipated monthly administrative costs based on historical client data, as outlined in the Supplemental Nutrition Assistance Employment and Training (SNA E&T) State Plan, Federal Fiscal Year 2018 published by the Department of Economic Security in August 2017.
sought to require professional engagement of SNAP participants in nearly the same fashion as H.R. 2. At that time, the Georgia Department of Audit and Accounts estimated it would cost an average of $160 per person, per month to monitor individuals as well as provide child care and transportation support.\(^{19}\)

Arizona’s current infrastructure is insufficient to handle an influx of approximately 290,000 people—roughly a third of SNAP participants statewide—who would need to demonstrate compliance under H.R. 2. A Congressional Budget Office analysis of the bill predicts it will take more than a decade to find spots for all eligible SNAP participants. This far exceeds the bill’s mandatory deadline of 2021.\(^{20}\)

**Recommendations & Action**

Both work and SNAP demonstrably move individuals and families out of poverty. The key to successful SNAP programmatic changes is determining how these two tools can be deployed most effectively together. While a large number of SNAP participants are already working, to truly support economic independence employment programs should be designed with participants’ unique barriers in mind.

**1. FOCUS PROGRAMS ON SUSTAINABLE EMPLOYMENT AND SELF-SUFFICIENCY**

*Work supports in the Farm Bill are underfunded and lack the necessary infrastructure to support large-scale employment.*

The USDA has acknowledged, “States that emphasize the delivery of post-secondary education tailored to labor market demands appear to have a better likelihood of improving long-term employment and earnings for participants.”\(^{21}\) However, the current legislation does not provide the kind of resources and support necessary to accomplish this.

The House Farm Bill includes mandating work for parents with children age 6 and older. This requires access to safe, affordable childcare and transportation. More supports are needed by all participants, especially for parents with younger children in the home.

Arizona’s SNAP E&T program, while demonstrating continued improvements, still cannot serve all those in the current population. An influx of additional participants is something the system is not scaled to handle. Additionally, as H.R. 2 mandates that individuals age 50–59 to either work or participate in work programs, there needs to be recognition that older workers face unique challenges that can hamper their employment search relative to their younger counterparts.

**2. WAIT FOR EVALUATION OF SNAP E&T PILOTS (EXPECTED IN 2020) TO ADAPT PROGRAMS ACCORDINGLY**

*Changes to SNAP must be data-driven and address participants’ employment barriers and education needs.*

Current SNAP E&T programs are not designed, structured, or funded in a way that provides the support individuals need to transition full time into the workforce and earn a sustainable living wage. Although Arizona is not among them, SNAP E&T pilots have been underway in 10 states since 2016; the evidence and best practices that emerge from these pilots will be publicly available in an evaluation report in 2020, according to USDA Western Regional Office staff. These pilot assessments are critical to informing programmatic changes, especially those proposed in H.R. 2, which would greatly expand mandatory
participation in work requirements. Overhauling SNAP eligibility preemptively could lead to an unintended increase in hunger and poverty.

When he released the 2018 House Farm Bill draft, House Agriculture Committee Chairman Michael Conaway said we need to define anti-hunger programs’ success “not by how many people we serve but rather by how many people we aid in climbing the economic ladder.” This is certainly the goal of SNAP participants and providers as well. As such, there is great value in waiting for the carefully selected pilot programs to produce sufficient evidence on the best ways to support people.

In the *SNAP E&T Pilots 2017 Annual Report to Congress*, the most common challenges pilot projects faced included high staff turnover and high exit rates due to lack of transportation in rural areas along with sanctions for noncompliance (often caused by a participant’s inability to access E&T services during the narrow window to comply with requirements).

### 3. MAINTAIN STATE FLEXIBILITY TO ADMINISTER SNAP

*State-level discretion in administering SNAP allows those with the most direct knowledge of state needs to ensure the program is operating effectively.*

Maintaining the BBCE waiver is key to encouraging work and helping families meet basic nutritional needs as they become self-sufficient. Eliminating this waiver option would penalize families that work for low wages or limited hours. The current 185% FPL in Arizona captures families that qualify for free and reduced lunch, indicating these are families currently struggling to meet basic nutritional needs, even with support from SNAP. Categorical eligibility recognizes the low level of benefits and qualification requirements. Families struggle to meet basic living expenses without SNAP.

SNAP policy should also maintain the process for states to apply for waivers specific to geographic areas with high unemployment and limited job opportunities. Our governor has broad discretion to understand the communities in our state that are struggling with high unemployment or seasonal work. This discretion is critical to ensuring families maintain necessary nutritional supports as they seek full-time, permanent employment.

**Conclusion**

Despite an improving economy, more than 1 million Arizonans are still food insecure, and many rely on food banks and charitable partners to meet their nutritional needs. At a time when our emergency food network is already struggling to meet demand, eliminating people’s access to SNAP—which can provide 12 meals for every 1 meal a food bank can provide—would have a devastating impact.

SNAP has demonstrated over its multi-decade history that it is one of the most effective tools in lifting families out of poverty and providing for basic nutritional needs. It has always supported people’s efforts to work by ensuring nutritional health for individuals to look for work, supplement wages or hours, or put food on the table between jobs.

A clear understanding is needed of how SNAP can create a bridge to sustainable employment. Overhauling the program with a focus on harsh penalties instead of self-sufficiency without enough evidence or funding will put children, older Arizonans, and families at risk of hunger and poverty.
Endnotes


4. Ibid.


9. CBPP. Arizona Nutrition Assistance.

10. Analysis based on data provided by the Department of Economic Security (DES).


13. Per source notes: “Under the categorical eligibility option, states may not raise the gross income limit above 200 percent of the poverty line, though most households that are helped have gross income just above 130 percent of poverty. The calculation cited here assumes that the family receives only earned income, claims the $160 SNAP standard deduction and 20 percent earned income deduction, and has $1,188 in monthly shelter costs (the median value for working households of three with children that have incomes at or above 125 percent of poverty based on the fiscal year 2016 SNAP Household Characteristics data, inflated to fiscal year 2018 dollars).” —Bolen, E., L. Cai, S. Dean, et al. 2018. House Farm Bill Would Increase Food Insecurity and Hardship.


15. Ibid.


20. USDA. Supplemental Nutrition Assistance Programs & T Best Practices Study.
